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UNCLAS SECTION 01 OF 03 HARARE 000390

SIPDIS

AF/S FOR B. WALCH
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
NSC FOR SENIOR AFRICA DIRECTOR MICHELLE GAVIN
TREASURY FOR D. PETERS
STATE PASS TO USAID FOR LDOBBINS AND JHARMON
COMMERCE FOR BECKY ERKUL

E.O.12958: N/A
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SUBJECT: ZIM NOTES 05-08-09

SUMMARY - Topics of the week

- MDC Takes on Outstanding Issues
- Abductees Jailed, then Released
- Media Conference Confusion
- Schools Avert Strike
- South Africa Scraps Visas Requirement
- Anglican Church Elects New Bishop
- Reconciliation Slow in Rural Zimbabwe
- IMF Re-Engages
- Four Hwange Power Station Generators Down
- South African Mobile Operator MTN Expresses Interest in Zim
- Cost of Family Basket Rises
- Tobacco Marketing Season Starts

On the Political/Social Front

¶1. MDC Takes on Outstanding Issues...Tendai Biti, in his capacity as MDC Secretary-General, held a press conference on Wednesday to demand that outstanding issues be resolved. Noting that the principals Q Mugabe, Tsvangirai, and Mutambara Q had had a series of meetings on these issues, he said that next MondayQs principals meeting should be the last. If the MDC did not receive satisfaction, its National Council would consider next steps at its meeting on May 17. Biti and other high-level MDC officials have apparently concluded that TsvangiraiQs low-key approach with Mugabe has run its course and a high-profile, direct approach is now called for. See Harare 372.

¶2. Abductees Jailed, then Released... After being formally indicted on May 4, Human Rights campaigner Jestina Mukoko and 15 others were ordered into state custody on May 5. 13, including Mukoko, spent one night at Chikurubi Maximum Security prison before their surprising release on May 6. Three others Q Ghandi Mudzingwa, Chris

Dhlamini, and Shadreck Manyere Q remain in Avenues Clinic under guard pending a separate May 8 bail hearing. Indictment documents reveal that the Assistant Director External in the Central Intelligence Office and several high-level police officers directed investigations against the abductees, including their videotaped confessions that were recorded while they were still missing. At the time, police denied any knowledge of the abducteesQ whereabouts and claimed to be investigating their kidnappings. See Harare 367 and 372.

¶3. Media Conference Confusion... After civic media groups representing the majority of journalists in Zimbabwe announced they would boycott the May 6-9 All-Stakeholders Media Conference, the Deputy Minister of Information, Jameson Timba (MDC-T) announced Thursday that the conference would be delayed until May 8, but only after Qthe outcome of a court bail hearing involving a journalist (photo-journalist Shadreck Manyere). Timba said the conference had Qbeen delayed by matters extraneous to it but important to some of the stakeholders.Q He continued, QWe are hopeful that it (the hearing) will be dispensed with early to enable the other stakeholders to join their colleagues in Kariba.Q Despite TimbaQs postponement, government papers reported that Minister of Qpostponement, government papers reported that Minister of Information Webster Shamu opened the conference on May 7 with a lengthy speech. Local journalists tell us that only a handful of journalists are at the conference site in Kariba, several hours drive from Harare.

¶4. Schools Avert Strike...The second school term started on May 5 after the Ministry of Education dramatically slashed school fees, narrowly averting a teachersQ strike. Although teachers are still

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waiting for a raise, they welcomed the move that also exempted them from paying fees for their own children. Fees are now US\$5, US\$10, or US\$20 per term. Some teachers, however, are complaining the low fees will reduce schoolsQ ability to purchase supplies such as textbooks and chalk. In one rural school we visited this week, not a single student had paid any portion of the \$5 fee for rural schools. See Harare 379.

¶5. South Africa Scraps Visas Requirement... Zimbabweans traveling to South Africa no longer have to apply for visas and may now apply for a 90-day visitor permit at the border. The visitor permit also allows Zimbabweans to perform QcasualQ work in South Africa.

¶6. Anglican Church Elects New Bishop... The Elective Committee of the Anglican Church in Harare met on May 2 and elected Dr. Chad Gandiya to replace Bishop Sebastian Bakare. Dr. Gandiya, who did his graduate work at Michigan State University and was favored for the position by Bishop Bakare, will be enthroned on July 25. When he assumes leadership of the Harare Archdiocese, Dr. Gandiya will continue the legal battle against excommunicated former bishop, Norbert Kunonga, who continues to use his ZANU-PF contacts and the police to attempt to seize Anglican property.

¶7. Reconciliation Slow in Rural Zimbabwe... This week we visited the rural constituency of Gutu South in Masvingo province where villagers told us of their slow progress towards reconciliation after violence devastated their communities in 2008. They remain fearful of potential violence in future elections. See Harare 379.

Economic and Business News

¶8. IMF Re-Engages... The International Monetary Fund partially lifted its suspension of technical assistance to Zimbabwe on May 4. The IMF Executive Board made the decision based on Qsignificant improvement in ZimbabweQs cooperation on economic policies to address its arrears problems.Q The IMF can now provide technical assistance in tax policy, administration, payment systems, lender-of-last-resort operations and banking supervision, and central banking governance and accounting -- core areas of IMF expertise in which ZimbabweQs severe capacity constraints represent a major risk to macroeconomic stabilization.

¶9. Four Hwange Power Station Generators Down... The Minister of Industry and Commerce said that four out of six generators at Hwange Power Station are down and in dire need of a major service in South Africa. The problems at Hwange have been compounded by the breakdown of the coal dragline; its repair will cost US\$2 million. These developments indicate that Zimbabwe is headed for more and longer power outages over the winter months. See Harare 361.

¶10. South African Mobile Operator MTN Expresses Interest in Zimbabwe... South Africa's mobile operator MTN has declared its interest in either buying an existing mobile operator, or by interest in either buying an existing mobile operator, or by obtaining its own license in Zimbabwe. Richard Hurst of IDCNews research in South Africa believes that MTN's obvious route is to buy 60 percent of the local mobile operator Telecel, owned by the Egyptian operator Orascom, which has hinted that it wants to concentrate on North Africa.

¶11. Cost of Family Basket Rises... According to the Consumer Council of Zimbabwe, the cost of a consumer basket for a family of six rose by 7.8 percent from US\$396.22 in March to US\$427.11 in April primarily due to increases in transport cost, electricity, health, education, clothing and footwear. Prices of food and detergents actually fell by 6.9 percent during the same period.

¶12. Tobacco Marketing Season Starts... The tobacco selling season

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officially started on May 7 and is expected to run for 80 days. About 75 percent of this year's sales at the floors will come from contract farming. It is estimated that tobacco output declined 16 percent on the year to 42 million kg. Production peaked in 2000 at over 200 million kg.

¶13. Quote of the Week:

QWe (the media) could not meet because we were divided, too polarized and too fractured to even qualify to be regarded as an industry. ...With this negative background, the world will ask: were they able to meet and confer productively? Did they agree on anything? ...Or are they still in deep trenches, trading projectiles and seeking annihilation of one another in a mutually ruinous fashion?

-- Minister of Information, Webster Shamu, speaking to a nearly empty hall at the All Stakeholder Media Conference on May 7. Most media stakeholders are boycotting the conference pending the outcome of a bail hearing for photojournalist Shadreck Manyere on May 8. Manyere was abducted in mid-December 2008 and is accused of bombing police stations.

MCGEE